

Arizona Charter Schools Program  
Arizona Charter Schools Program (AZCSP) Annual Funding Application for Grants Management  
Allowed and Disallowed Costs

**Allowed costs are defined by law in ESEA Title IV, Part C, 4303**

*(h) LOCAL USES OF FUNDS. —An eligible applicant receiving a subgrant under this section shall use such funds to support the activities described in subsection (b)(1), which shall include one or more of the following activities: (1) Preparing teachers, school leaders, and specialized instructional support personnel, including through paying the costs associated with— (A) providing professional development; and (B) hiring and compensating, during the eligible applicant’s planning period specified in the application for subgrant funds that is required under this section, one or more of the following: (i) Teachers. (ii) School leaders. (iii) Specialized instructional support personnel. (2) Acquiring supplies, training, equipment (including technology), and educational materials (including developing and acquiring instructional materials). (3) Carrying out necessary renovations to ensure that a new school building complies with applicable statutes and regulations, and minor facilities repairs (excluding construction). (4) Providing one-time, startup costs associated with providing transportation to students to and from the charter school. (5) Carrying out community engagement activities, which may include paying the cost of student and staff recruitment. (6) Providing for other appropriate, non-sustained costs related to the activities described in subsection (b)(1) when such costs cannot be met from other sources.*

[Charter Schools Non-Regulatory Guidance](#) also provides information on use of funds.

**Why you must keep your Funding Application current: Reconciling Your Funding Application with your Reimbursement Requests**

You Funding Application is your spending plan to obligate federal funds to fulfill your project. It is not a vague target document of intention but an accurate reflection of your spending. Therefore, you must continuously revise your

application as your plans change. If your requested changes align with your overall application and if your requests are reasonable, necessary, and allocable within federal regulation and guidance, they will be approved.

You Funding Application does not require a list of every intended expenditure. However, you must keep a journal of your obligations, and it should closely align with your Funding Application. Failure you align you Funding Application with your Reimbursement Requests can lead to Audit Findings.

### **Prior Approval Requests:**

*Travel:* Travel costs are allowable with the prior written approval of the Federal awarding agency or pass-through entity when they are specifically related to the Federal award. Listing the intended travel in your Funding Application will suffice. If travel plans change, revise your FA. If AZCSP needs more clarifying information, we will contact you.

*2 CFR §200.747 Travel Costs link:*

[https://www.ecfr.gov/cgi-bin/text-idx?SID=f97bd9cbba445e03098de22477ce3a91&mc=true&node=se2.1.200\\_1474&rgn=div8](https://www.ecfr.gov/cgi-bin/text-idx?SID=f97bd9cbba445e03098de22477ce3a91&mc=true&node=se2.1.200_1474&rgn=div8)

*Capital Expenditures:* Capital equipment item more than \$5,000 must receive permission from AZCSP Director before ordering.

*2 CFR §439 Equipment and Capital Expenditures*

(2) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity.

For Charters: The Capital Outlay Worksheet is required if any budgeted item is coded as 0190. If there are no capital items to declare, this can easily be bypassed when completing the funding application.”

*Items and services over \$5,000:*

Maintain for your records that you performed due diligence in seeking the best value for purchased items or equipment \$5,000 or more. Multiple price quotes are sufficient. You are not required to use the lowest bid; however, you must be able to justify why you selected that particular vendor.

### AZCSP Chart of Accounts Encapsulated Table of Object and Function Codes

This is a brief, general guide. [Consult USFRCS](#) for details.

XXXXXXXXXX = Not allowable with AZCSP funds. Check with AZCSP Director if unsure.

There are no indirect costs. All obligations are direct costs to the grant.

Object Code	Object Name	Instruction 1000	Support Services 2100, 2200, 2600, 2700	Support Services Administration 2300, 2400, 2500, 2900	Operation of Non- Instructional Services 3000	Facilities 4000
6100 (Staff only)	Salaries	XXXXXXXXXX No Instructional salaries supported by AZCSP	<i>Planning and Implementation:</i> stipends for teachers' PD Substitute teachers for PD (2200)	<i>Planning only:</i> School leader, principal, curriculum advisors/creators	XXXXXXXXXX	XXXXXXXXXX
6200	Employee Benefits	XXXXXXXXXX	XXXXXXXXXX	Benefits	XXXXXXXXXX	XXXXXXXXXX
6300	Purchased Professional Services	XXXXXXXXXX	<i>Planning:</i> teaching staff training consultants and Professional Development during. <i>Implementation:</i> same but only after regular contracted hours.	<i>Planning:</i> legal, accounting/finance, HR services, leadership training and professional development. <i>Implementation:</i> same but only for policy consulting after regular contracted hours.	XXXXXXXXXX	XXXXXXXXXX

6400	Purchased Property Services	<i>Planning and Implementation:</i> Rental of instructional equipment	<i>Planning:</i> staff training and marketing. <i>Implementation:</i> Rental for after-hours PD.	<i>Planning:</i> Rental of equipment and vehicles.	XXXXXXXXXX	XXXXXXXXXX
6500	Other purchased services	XXXXXXXXXX	<i>Planning:</i> liability insurance, telephone, ISP, postage <i>Planning and Implementation:</i> signage (not permanent), advertising, printing and binding, advertising, marketing postage.	<i>Planning and Implementation:</i> Travel	XXXXXXXXXX	XXXXXXXXXX
6600	Supplies	<i>Implementation:</i> All classroom curriculums materials and supplies including art, music and PE, classroom supplies, desks, tables and chairs, computers, laptops, tablets, document camera, projectors,	<i>Planning:</i> technology supplies related to hardware and software; i.e. storage cabinets, portable laptop/tablet computer cabinets	<i>Planning:</i> office and administrative equipment and supplies, computers, desk printers, cabinets and office files and storage	XXXXXXXXXX	XXXXXXXXXX
6800	Other Expenses	XXXXXXXXXX	XXXXXXXXXX	Panning: one-year memberships and professional fees	XXXXXXXXXX	XXXXXXXXXX
0190	Capital Outlay	Classroom equipment item more than \$5,000. Must receive permission from AZCSP director before ordering	XXXXXXXXXX	Office equipment item more than \$5,000. Must receive permission from AZCSP director before ordering	XXXXXXXXXX	XXXXXXXXXX

## **DISALLOWED COSTS:**

### CATEGORY

- |                      |   |
|----------------------|---|
| Activities           | <ul style="list-style-type: none"><li>• Field trips</li><li>• Extracurricular activities, programs, etc.</li><li>• Athletic (team/afterschool) equipment</li></ul>  |
| Apparel              | <ul style="list-style-type: none"><li>• Student uniforms</li><li>• Athletic &amp; extracurricular uniforms and costumes</li><li>• Staff uniforms</li></ul>  |
| Capital Improvements | <ul style="list-style-type: none"><li>• Addition of permanent structural improvement or restoration of some aspect of a property that will either enhance the property's overall value or increase its useful life</li></ul>  |
| Construction         | <ul style="list-style-type: none"><li>• Construction of new facility</li><li>• Construction on existing facility</li><li>• Building renovations, refurbishments, and restoration</li><li>• Activities for which an architect and/or engineer must be utilized</li></ul> |
| Supplies             | <ul style="list-style-type: none"><li>• Cafeteria/food service supplies</li></ul>   |
| Food                 | <ul style="list-style-type: none"><li>• Food</li><li>• Beverages</li><li>• Equipment and supplies used exclusively for the service of food/beverages (cafeteria equipment)</li></ul>  |
| Incentives           | <ul style="list-style-type: none"><li>• Gift certificates</li><li>• Food</li></ul>  |

- Alcoholic beverages
- Awards and gifts

Lobbying • Lobbying or related expenses

#### Promotional items

- Promotional materials (often imprinted), such as pencils, pens, balloons and notepads.

PROMOTIONAL ITEMS ARE NOT ALLOWABLE UNDER ANY CATEGORY, INCLUDING OUTREACH AND RECRUITMENT

#### Professional Fees

- Reoccurring accounting, auditing and legal fees in Implementation. OK for Planning period.
- Placement fees (employment advertising okay)

#### Recurring Expenses

- Rent/leases on or after first day of school
- Operating expenses and utilities, equipment leases, monthly and annual contracts

Recurrent/repeated professional development and training

- Software license renewals
- Fees such as monthly insurance and payroll services, management company fees, service contracts, trash disposal, gas/electric/phone/water/utilities, cell phones, etc.

#### Renovations

- Structural (roofing, wall repair, electrical wiring/rewiring)
- Room additions
- Fixed partitions
- Security (fences, alarms, cameras)

- Painting
- Carpeting
- Landscaping

#### Salaries

- No salaries or related fringe benefits after the school opens

#### Student

- Student membership fees
- Student conferences

#### Technology

- No electrical installation or modification to room dividers or existing walls, floors, ceilings, or structural elements.
- Installation of computer network cabling is only allowable when not already present and may not comprise a capital improvement to the property

#### Travel

- Travel costs must comply with the Arizona Department of Education Travel Manual